

CHAPTER NO. 540.

SENATE BILL NO. 46

INTRODUCED BY ROSKIE

BY REQUEST OF THE CODE COMMISSIONER

IN THE SENATE

January 4, 1979	Introduced and referred to Committee on State Administration. On motion, Senator Roskie was added as author to the prefiled bill.
January 10, 1979	Committee recommend bill do pass. Report adopted.
January 11, 1979	Printed and placed on members' desks.
January 12, 1979	Second reading, do pass.
January 13, 1979	Considered correctly engrossed.
January 15, 1979	Third reading, passed. Transmitted to second house.

IN THE HOUSE

January 16, 1979	Introduced and referred to Committee on Taxation.
March 31, 1979	Committee recommend bill be concurred in. Report adopted.
April 2, 1979	Second reading, concurred in.
April 4, 1979	Third reading, concurred in.

IN THE SENATE

April 5, 1979	Returned from second house. Concurred in. Sent to enrolling. Reported correctly enrolled.
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SENATE BILL NO. 46

INTRODUCED BY _____

BY REQUEST OF THE CODE COMMISSIONER

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND CLARIFY THE LAWS CONCERNING STATE FINANCE; REPEALING SECTION 17-2-203, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 17-2-101, MCA, is amended to read:

"17-2-101. Title and purpose. Sections 17-2-101 through 17-2-107 may be cited as the "Treasury Fund Structure Act". The purpose of ~~this act~~ these sections is to simplify the accounting system and treasury fund structure of the state, to make possible the full utilization of modern accounting methods, to provide the legislature with a greater measure of control over public moneys, and to enable the financial records of the state to accurately reflect governmental costs and revenues."

Section 2. Section 17-2-102, MCA, is amended to read:

"17-2-102. Fund structure. There are in the state treasury only the following funds:

(1) General fund. The general fund consists of all moneys deposited in the state treasury which are available to defray the general costs of state government and which do

not fall into one of the categories enumerated below.

(2) Earmarked revenue fund. The earmarked revenue fund consists of moneys from state sources deposited in the state treasury which are specifically earmarked by law for the purpose of defraying the costs of a particular agency, program, or function of state government.

(3) Sinking fund. The sinking fund consists of moneys deposited in the state treasury for the payment of principal and interest and the accumulation of reserves for bonded or other indebtedness.

(4) Federal and private revenue fund. The federal and private revenue fund consists of all expendable moneys deposited in the state treasury from federal or private sources, including trust income, which are to be used for the operation of state government.

(5) Federal and private grant clearance fund. The federal and private grant clearance fund consists of all expendable moneys deposited in the state treasury from federal or private sources, including trust income, which the state disburses to persons, associations, or units of local government. When the final disposition of expendable federal or private moneys is unknown at the time of receipt, they shall be deposited in the federal and private grant clearance fund, but those moneys to be used for the operation of state government shall be transferred to the

1 federal and private revenue fund prior to disbursement.

2 (6) Bond proceeds and insurance clearance fund. The
3 bond proceeds and insurance clearance fund consists of:

4 (a) moneys deposited in the state treasury obtained
5 from the sale of bonds, certificates of indebtedness, or
6 similar obligations;

7 (b) moneys indemnifying the state for loss or damage
8 of property.

9 (7) Revolving fund. The revolving fund consists of
10 moneys used to:

11 (a) defray reimbursable expenditures; and

12 (b) supply working capital for enterprise-type
13 operations.

14 (8) Trust and legacy fund. The trust and legacy fund
15 consists of moneys deposited in the state treasury which the
16 state administers as a trustee pursuant to a law or a trust
17 agreement restricting the use of the money for a specified
18 purpose and prohibiting the expenditure of the principal for
19 a period of at least 5 years.

20 (9) Agency fund. The agency fund consists of moneys
21 deposited in the state treasury which are held and disbursed
22 by the state as a custodian or agent and includes but is not
23 limited to moneys held for the purpose of paying insurance
24 or retirement benefits, moneys arising from lost or
25 unclaimed property, and other moneys of a similar nature.

1 (10) University current fund. The university current
2 fund consists of moneys deposited in the state treasury
3 which are used to pay current operating costs relating to
4 instruction, research, public service, and allied support
5 operations and programs conducted within the Montana
6 university system. The financial activities of the
7 university current fund shall be subdivided, for operation
8 purposes, into the four following subfunds to serve the
9 purpose indicated:

10 (a) The unrestricted subfund segregates that portion
11 of the university current fund's financial resources that
12 can be expended for general operations and is free of
13 externally imposed restrictions, except those imposed by the
14 legislature.

15 (b) The restricted subfund segregates that portion of
16 the university current fund's financial resources that can
17 be expended for general operations but only for purposes
18 imposed by sources external to the board of regents and the
19 legislature.

20 (c) The designated subfund segregates that portion of
21 the university current fund's financial resources that is
22 associated with general operations but is separately
23 classified in order to accumulate costs that are to be
24 recharged as allocated to other funds or subfunds;
25 identifies financial activities related to special organized

1 activities of educational departments wherein the activity
2 is fully supported by supplemental assessments; and
3 identifies special supply and facility fees that are
4 approved for collections beyond normal course fees and their
5 disposition.

6 (d) The auxiliary subfund segregates that portion of
7 the university current fund's financial resources that is
8 devoted to providing essential on-campus services primarily
9 to students, faculty, or staff wherein a fee, which is
10 directly related to but does not necessarily equal the cost
11 of the service provided, is charged to the consumer.

12 (11) University student loan fund. The university
13 student loan fund consists of moneys deposited in the state
14 treasury which may be loaned to students, faculty, or staff
15 for purposes related to education, organized research, or
16 public services by the Montana university system.

17 (12) University endowment fund. The university
18 endowment fund consists of moneys deposited in the state
19 treasury by the Montana university system wherein the
20 principal portion of the amount received is nonexpendable
21 but is available for investment, thus producing consumable
22 income. Expendable earnings on endowment funds are to be
23 transferred to appropriate operating funds pursuant to
24 prevailing administrative requirements.

25 (13) University annuity and life income fund. The

1 annuity and life income fund consists of moneys deposited in
2 the state treasury by the Montana university system under an
3 agreement whereby the moneys are made available on condition
4 that the receiving unit of the Montana university system
5 binds itself to pay stipulated amounts periodically to the
6 donor or others designated by the donor over a specified
7 period of time.

8 (14) University plant fund. The university plant fund
9 consists of those financial resources allocated to or
10 received by the Montana university system for capital outlay
11 purposes or to retire long-term debts associated with
12 construction or acquisition of fixed assets and the net
13 accumulative results of these activities.

14 (15) University agency fund. The university agency fund
15 consists of moneys deposited in the state treasury wherein
16 the Montana university system acts in the capacity of a
17 custodian or fiscal agent for individual students, faculty,
18 staff, and qualified organizations.*

19 Section 3. Section 17-3-1001, MCA, is amended to read:

20 "17-3-1001. State institutions which may take by gift,
21 bequest, or grant. (1) The state of Montana, units of the
22 ~~Montana~~ university of--~~Montana~~ system, the state ~~Montana~~
23 school for the deaf and blind, all institutions in the
24 department of institutions, and any ~~and-off~~ institutions now
25 created or established or which may hereafter be created or

1 established and supported in whole or in part by the state
 2 for any purpose ~~ere hereby empowered and given the right to~~
 3 ~~may accept, receive, take, hold, own, and possess~~ gifts,
 4 donations, grants, devises, or bequests of real or personal
 5 property from any source ~~whatsoever~~. Gifts, donations,
 6 grants, bequests, or devises may be made directly to the
 7 state, in the name of any of ~~said the~~ institutions, to any
 8 officer or board of ~~said the~~ institutions, or to any person
 9 in trust for ~~said the~~ institutions.

10 (2) In the event ~~the same shall be~~ it is made directly
 11 to any such institution or to any officer or board of any
 12 ~~such institution, such the~~ gift, donation, grant, devise, or
 13 bequest ~~shall be construed as is~~ a gift, donation, grant,
 14 devise, or bequest to the state and shall be administered
 15 and used by the state for the particular purpose for which
 16 ~~the same it~~ was given, donated, granted, bequeathed, or
 17 devised. In the event no particular purpose is mentioned in
 18 ~~such the~~ gift, grant, devise, or bequest, then ~~the same it~~
 19 shall be used for the general support, maintenance, or
 20 improvement of such institution by the state."

21 Section 4. Section 17-5-1001, MCA, is amended to read:
 22 "17-5-1001. Action to restrain bond issues. (1) No
 23 action ~~can~~ may be brought for the purpose of restraining the
 24 issuance and sale of bonds or other obligations by the state
 25 of Montana or for the purpose of restraining the levy and

1 collection of taxes for the payment of such bonds or other
 2 obligations after the expiration of 60 days from the date of
 3 the election on such bonds or obligations or, if no election
 4 was held thereon, after the expiration of 60 days from the
 5 date of the order, resolution, or ordinance authorizing the
 6 issuance thereof, on account of any defect, irregularity, or
 7 informality in giving notice of or ~~not in~~ holding the
 8 election, ~~nor shall any~~ no defense based upon any such
 9 defect, irregularity, or informality may be interposed in
 10 any action unless brought within this period.

11 (2) This section applies but is not limited to any
 12 action ~~and~~ or defense in which the issue is raised whether a
 13 voted debt or liability has carried by the required majority
 14 vote of the electors qualified and offering to vote
 15 thereon."

16 Section 5. Section 17-6-103, MCA, is amended to read:
 17 "17-6-103. Security for deposits of public funds. The
 18 following kinds of securities may be pledged or guarantees
 19 may be issued to secure deposits of public funds:

- 20 (1) direct obligations of the United States;
 21 (2) securities as to which the payment of principal
 22 and interest is guaranteed by the United States;
 23 (3) securities issued or fully guaranteed by the
 24 following agencies of the United States or their successors,
 25 whether or not guaranteed by the United States:

1 (a) commodity credit corporation;
 2 (b) federal intermediate credit banks;
 3 (c) federal land bank;
 4 (d) bank for cooperatives;
 5 (e) federal home loan banks;
 6 (f) federal national mortgage association;
 7 (g) government national mortgage association;
 8 (h) small business administration; and
 9 (i) federal housing administration (not including
 10 insured mortgages);

11 (4) general obligation bonds of the state or of any
 12 county, city, school district, or other political
 13 subdivision of the state;

14 (5) revenue bonds of any county, city, or other
 15 political subdivision of the state, when backed by the full
 16 faith and credit of such subdivision;

17 (6) interest-bearing warrants of the state or of any
 18 county, city, school district, or other political
 19 subdivision of the state issued in evidence of claims in an
 20 amount which, with all other claims on the same fund, do not
 21 exceed the amount validly appropriated in the current budget
 22 for expenditure from the fund in the year in which they are
 23 issued;

24 (7) obligations of housing authorities of the state
 25 secured by a pledge of annual contributions or by a loan

1 agreement made by the United States or any agency thereof
 2 providing for contributions or a loan sufficient with other
 3 funds pledged to pay the principal of and interest on the
 4 obligations when due. Subject to rules prescribed by the
 5 department of community affairs, the bonds and other
 6 obligations made eligible for investment in 32-1-424(3) and
 7 7-15-4505 may be used as security for all deposits of public
 8 funds or obligations for which depository bonds or any kind
 9 of bonds or other securities are required or may by law be
 10 deposited as security.

11 (8) general obligation bonds of other states and of
 12 municipalities and counties of other states; and
 13 (9) undertaking or guarantees issued by a surety
 14 company authorized to do business in the state."

15 Section 6. Section 17-6-104, MCA, is amended to read:
 16 "17-6-104. Interest on deposits -- conformity with
 17 federal law. (1) The board of investments may require the
 18 payment of quarter annual interest on daily balances of
 19 collected funds at a rate to be agreed upon between the
 20 depository banks, building and loan associations, and
 21 savings and loan associations and the board of investments,
 22 which rate shall be fixed semiannually during the months of
 23 July and January of each year.

24 (2) The interest requirements on deposits of public
 25 funds made under the laws of the state of Montana or

1 otherwise by county ~~or city~~--~~and treasurers or town~~
2 ~~treasurers clerks shall~~ ~~may~~ not at any time be in violation
3 of any act of the congress of the United States or of any
4 rule or regulation of the federal reserve system, federal
5 home loan bank system, or the federal deposit insurance
6 corporation, federal savings and loan insurance corporation,
7 or any other fiscal agency of the United States ~~or created~~
8 ~~by it,~~ of which the banks, building and loan associations,
9 or savings and loan associations of this state ~~generally~~ may
10 be members or debtors."

11 Section 7. Repealer. Section 17-2-203, MCA, is
12 repealed.

-End-

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CHAIRMAN

FRANK HAZEL BAKER
VICE CHAIRMAN

CHIT BLAYLOCK

T M GOODOVER

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DIRECTOR, LEGISLATIVE SERVICES



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LC 0036

1979 Legislature
Code Commissioner Bill - Summary

SENATE Bill No. 46

AN ACT TO GENERALLY REVISE AND CLARIFY THE LAWS CONCERNING
STATE FINANCE; REPEALING SECTION 17-2-203, MCA.

(This summary does not include discussion of routine form
or grammatical changes.)

Section 1. 17-2-101. Reference to "this act" changed
to "these sections".

Section 2. 17-2-102. In (9) inserted "is".

Section 3. 17-3-1001. Changed "university of Montana"
to "Montana university system" and "state school for deaf
and blind" to "Montana school for deaf and blind" to conform
to present names. Remaining changes are either deletions
of unnecessary words or grammatical.

Section 4. 17-5-1001. In (1) changed "not" to "in"
to correct typographical error in bill. Other changes
grammatical.

Section 5. 17-6-103. Added "or their successors" to
ensure function transfers or name changes at federal level
will not make securities ineligible.

Section 6. 17-6-104. Changed "treasurers" to "clerks".
Authorized by 7-6-4108(2). Unnecessary words eliminated.

Section 7. Repealer. 17-2-203. Unnecessary. The
general penalty section applicable to acts of public servants,
45-7-401, MCA, Official misconduct, is drafted better and
is more likely to be used to prosecute violators.

Approved by Committee
on State Administration

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2 INTRODUCED BY Rosbie
3 BY REQUEST OF THE CODE COMMISSIONER
4

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7 17-2-203, MCA."
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24 department of institutions, and any ~~and-^{or}~~ institutions now
25 created or established or which may hereafter be created or

1 established and supported in whole or in part by the state
 2 for any purpose ~~are hereby empowered and given the right to~~
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 5 property from any source ~~whosoever~~. Gifts, donations,
 6 grants, bequests, or devises may be made directly to the
 7 state, in the name of any of ~~said the~~ institutions, to any
 8 officer or board of ~~said the~~ institutions, or to any person
 9 in trust for ~~said the~~ institutions.

10 (2) In the event ~~the same shall be~~ it is made directly
 11 to any such institution or to any officer or board of any
 12 such institution, ~~such the~~ gift, donation, grant, devise, or
 13 bequest ~~shall be construed as is~~ a gift, donation, grant,
 14 devise, or bequest to the state and shall be administered
 15 and used by the state for the particular purpose for which
 16 ~~the same it~~ was given, donated, granted, bequeathed, or
 17 devised. In the event no particular purpose is mentioned in
 18 ~~such the~~ gift, grant, devise, or bequest, then ~~the same it~~
 19 shall be used for the general support, maintenance, or
 20 improvement of such institution by the state."

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 7 informality in giving notice of or ~~not in~~ holding the
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 12 county, city, school district, or other political
 13 subdivision of the state;

14 (5) revenue bonds of any county, city, or other
 15 political subdivision of the state, when backed by the full
 16 faith and credit of such subdivision;

17 (6) interest-bearing warrants of the state or of any
 18 county, city, school district, or other political
 19 subdivision of the state issued in evidence of claims in an
 20 amount which, with all other claims on the same fund, do not
 21 exceed the amount validly appropriated in the current budget
 22 for expenditure from the fund in the year in which they are
 23 issued;

24 (7) obligations of housing authorities of the state
 25 secured by a pledge of annual contributions or by a loan

1 agreement made by the United States or any agency thereof
 2 providing for contributions or a loan sufficient with other
 3 funds pledged to pay the principal of and interest on the
 4 obligations when due. Subject to rules prescribed by the
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 6 obligations made eligible for investment in 32-1-424(3) and
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24 (2) The interest requirements on deposits of public
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2 ~~treasurers clerks shall~~ may not at any time be in violation
3 of any act of the congress of the United States or of any
4 rule or regulation of the federal reserve system, federal
5 home loan bank system, or the federal deposit insurance
6 corporation, federal savings and loan insurance corporation,
7 or any other fiscal agency of the United States ~~or created~~
8 ~~by it~~ of which the banks, building and loan associations,
9 or savings and loan associations of this state ~~generally~~ may
10 be members or debtors."

11 Section 7. Repealer. Section 17-2-203, MCA, is
12 repealed.

-End-

SENATE BILL NO. 46

INTRODUCED BY

Robbie

BY REQUEST OF THE CODE COMMISSIONER

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND CLARIFY THE LAWS CONCERNING STATE FINANCE; REPEALING SECTION 17-2-203, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 17-2-101, MCA, is amended to read:

"17-2-101. Title and purpose. Sections 17-2-101 through 17-2-107 may be cited as the "Treasury Fund Structure Act". The purpose of this act ~~these sections~~ is to simplify the accounting system and treasury fund structure of the state, to make possible the full utilization of modern accounting methods, to provide the legislature with a greater measure of control over public moneys, and to enable the financial records of the state to accurately reflect governmental costs and revenues."

Section 2. Section 17-2-102, MCA, is amended to read:

"17-2-102. Fund structure. There are in the state treasury only the following funds:

(1) General fund. The general fund consists of all moneys deposited in the state treasury which are available to defray the general costs of state government and which do

not fall into one of the categories enumerated below.

(2) Earmarked revenue fund. The earmarked revenue fund consists of moneys from state sources deposited in the state treasury which are specifically earmarked by law for the purpose of defraying the costs of a particular agency, program, or function of state government.

(3) Sinking fund. The sinking fund consists of moneys deposited in the state treasury for the payment of principal and interest and the accumulation of reserves for bonded or other indebtedness.

(4) Federal and private revenue fund. The federal and private revenue fund consists of all expendable moneys deposited in the state treasury from federal or private sources, including trust income, which are to be used for the operation of state government.

(5) Federal and private grant clearance fund. The federal and private grant clearance fund consists of all expendable moneys deposited in the state treasury from federal or private sources, including trust income, which the state disburses to persons, associations, or units of local government. When the final disposition of expendable federal or private moneys is unknown at the time of receipt, they shall be deposited in the federal and private grant clearance fund, but those moneys to be used for the operation of state government shall be transferred to the

SB 46

THIRD READING

1 federal and private revenue fund prior to disbursement.
 2 (6) Bond proceeds and insurance clearance fund. The
 3 bond proceeds and insurance clearance fund consists of:
 4 (a) moneys deposited in the state treasury obtained
 5 from the sale of bonds, certificates of indebtedness, or
 6 similar obligations;
 7 (b) moneys indemnifying the state for loss or damage
 8 of property.
 9 (7) Revolving fund. The revolving fund consists of
 10 moneys used to:
 11 (a) defray reimbursable expenditures; and
 12 (b) supply working capital for enterprise-type
 13 operations.
 14 (8) Trust and legacy fund. The trust and legacy fund
 15 consists of moneys deposited in the state treasury which the
 16 state administers as a trustee pursuant to a law or a trust
 17 agreement restricting the use of the money for a specified
 18 purpose and prohibiting the expenditure of the principal for
 19 a period of at least 5 years.
 20 (9) Agency fund. The agency fund consists of moneys
 21 deposited in the state treasury which are held and disbursed
 22 by the state as a custodian or agent and includes but is not
 23 limited to moneys held for the purpose of paying insurance
 24 or retirement benefits, moneys arising from lost or
 25 unclaimed property, and other moneys of a similar nature.

1 (10) University current fund. The university current
 2 fund consists of moneys deposited in the state treasury
 3 which are used to pay current operating costs relating to
 4 instruction, research, public service, and allied support
 5 operations and programs conducted within the Montana
 6 university system. The financial activities of the
 7 university current fund shall be subdivided, for operation
 8 purposes, into the four following subfunds to serve the
 9 purpose indicated:
 10 (a) The unrestricted subfund segregates that portion
 11 of the university current fund's financial resources that
 12 can be expended for general operations and is free of
 13 externally imposed restrictions, except those imposed by the
 14 legislature.
 15 (b) The restricted subfund segregates that portion of
 16 the university current fund's financial resources that can
 17 be expended for general operations but only for purposes
 18 imposed by sources external to the board of regents and the
 19 legislature.
 20 (c) The designated subfund segregates that portion of
 21 the university current fund's financial resources that is
 22 associated with general operations but is separately
 23 classified in order to accumulate costs that are to be
 24 recharged as allocated to other funds or subfunds;
 25 identifies financial activities related to special organized

1 activities of educational departments wherein the activity
2 is fully supported by supplemental assessments; and
3 identifies special supply and facility fees that are
4 approved for collections beyond normal course fees and their
5 disposition.

6 (d) The auxiliary subfund segregates that portion of
7 the university current fund's financial resources that is
8 devoted to providing essential on-campus services primarily
9 to students, faculty, or staff wherein a fee, which is
10 directly related to but does not necessarily equal the cost
11 of the service provided, is charged to the consumer.

12 (11) University student loan fund. The university
13 student loan fund consists of moneys deposited in the state
14 treasury which may be loaned to students, faculty, or staff
15 for purposes related to education, organized research, or
16 public services by the Montana university system.

17 (12) University endowment fund. The university
18 endowment fund consists of moneys deposited in the state
19 treasury by the Montana university system wherein the
20 principal portion of the amount received is nonexpendable
21 but is available for investment, thus producing consumable
22 income. Expendable earnings on endowment funds are to be
23 transferred to appropriate operating funds pursuant to
24 prevailing administrative requirements.

25 (13) University annuity and life income fund. The

1 annuity and life income fund consists of moneys deposited in
2 the state treasury by the Montana university system under an
3 agreement whereby the moneys are made available on condition
4 that the receiving unit of the Montana university system
5 binds itself to pay stipulated amounts periodically to the
6 donor or others designated by the donor over a specified
7 period of time.

8 (14) University plant fund. The university plant fund
9 consists of those financial resources allocated to or
10 received by the Montana university system for capital outlay
11 purposes or to retire long-term debts associated with
12 construction or acquisition of fixed assets and the net
13 accumulative results of these activities.

14 (15) University agency fund. The university agency fund
15 consists of moneys deposited in the state treasury wherein
16 the Montana university system acts in the capacity of a
17 custodian or fiscal agent for individual students, faculty,
18 staff, and qualified organizations."

19 Section 3. Section 17-3-1001, MCA, is amended to read:
20 "17-3-1001. State institutions which may take by gift,
21 bequest, or grant. (1) The state of Montana, units of the
22 ~~Montana~~ university of--~~Montana~~ system, the state ~~Montana~~
23 school for the deaf and blind, all institutions in the
24 department of institutions, and any ~~and-also~~ institutions now
25 created or established or which may hereafter be created or

1 established and supported in whole or in part by the state
 2 for any purpose ~~are hereby empowered and given the right to~~
 3 ~~may~~ accept, ~~receive, take, hold, own, and possess~~ gifts,
 4 donations, grants, devises, or bequests of real or personal
 5 property from any source ~~whatsoever~~. Gifts, donations,
 6 grants, bequests, or devises may be made directly to the
 7 state, in the name of any of ~~said the~~ institutions, to any
 8 officer or board of ~~said the~~ institutions, or to any person
 9 in trust for ~~said the~~ institutions.

10 (2) In the event ~~the same shall be~~ it is made directly
 11 to any such institution or to any officer or board of any
 12 such institution, ~~such the~~ gift, donation, grant, devise, or
 13 bequest ~~shall be construed as~~ is a gift, donation, grant,
 14 devise, or bequest to the state and shall be administered
 15 and used by the state for the particular purpose for which
 16 ~~the same it~~ was given, donated, granted, bequeathed, or
 17 devised. In the event no particular purpose is mentioned in
 18 ~~such the~~ gift, grant, devise, or bequest, then ~~the same it~~
 19 shall be used for the general support, maintenance, or
 20 improvement of such institution by the state."

21 Section 4. Section 17-5-1001, MCA, is amended to read:

22 "17-5-1001. Action to restrain bond issues. (1) No
 23 action ~~can~~ may be brought for the purpose of restraining the
 24 issuance and sale of bonds or other obligations by the state
 25 of Montana or for the purpose of restraining the levy and

1 collection of taxes for the payment of such bonds or other
 2 obligations after the expiration of 60 days from the date of
 3 the election on such bonds or obligations or, if no election
 4 was held thereon, after the expiration of 60 days from the
 5 date of the order, resolution, or ordinance authorizing the
 6 issuance thereof, on account of any defect, irregularity, or
 7 informality in giving notice of or ~~not in~~ holding the
 8 elections, ~~nor shall any~~ no defense based upon any such
 9 defect, irregularity, or informality ~~may~~ be interposed in
 10 any action unless brought within this period.

11 (2) This section applies but is not limited to any
 12 action ~~and~~ or defense in which the issue is raised whether a
 13 voted debt or liability has carried by the required majority
 14 vote of the electors qualified and offering to vote
 15 thereon."

16 Section 5. Section 17-6-103, MCA, is amended to read:

17 "17-6-103. Security for deposits of public funds. The
 18 following kinds of securities may be pledged or guarantees
 19 may be issued to secure deposits of public funds:

- 20 (1) direct obligations of the United States;
- 21 (2) securities as to which the payment of principal
 22 and interest is guaranteed by the United States;
- 23 (3) securities issued or fully guaranteed by the
 24 following agencies of the United States or their successors,
 25 whether or not guaranteed by the United States:

1 (a) commodity credit corporation;
 2 (b) federal intermediate credit banks;
 3 (c) federal land bank;
 4 (d) bank for cooperatives;
 5 (e) federal home loan banks;
 6 (f) federal national mortgage association;
 7 (g) government national mortgage association;
 8 (h) small business administration; and
 9 (i) federal housing administration (not including
 10 insured mortgages);
 11 (4) general obligation bonds of the state or of any
 12 county, city, school district, or other political
 13 subdivision of the state;
 14 (5) revenue bonds of any county, city, or other
 15 political subdivision of the state, when backed by the full
 16 faith and credit of such subdivision;
 17 (6) interest-bearing warrants of the state or of any
 18 county, city, school district, or other political
 19 subdivision of the state issued in evidence of claims in an
 20 amount which, with all other claims on the same fund, do not
 21 exceed the amount validly appropriated in the current budget
 22 for expenditure from the fund in the year in which they are
 23 issued;
 24 (7) obligations of housing authorities of the state
 25 secured by a pledge of annual contributions or by a loan

1 agreement made by the United States or any agency thereof
 2 providing for contributions or a loan sufficient with other
 3 funds pledged to pay the principal of and interest on the
 4 obligations when due. Subject to rules prescribed by the
 5 department of community affairs, the bonds and other
 6 obligations made eligible for investment in 32-1-424(3) and
 7 7-15-4505 may be used as security for all deposits of public
 8 funds or obligations for which depository bonds or any kind
 9 of bonds or other securities are required or may by law be
 10 deposited as security.

11 (8) general obligation bonds of other states and of
 12 municipalities and counties of other states; and
 13 (9) undertaking or guarantees issued by a surety
 14 company authorized to do business in the state."

15 Section 6. Section 17-6-104, MCA, is amended to read:
 16 "17-6-104. Interest on deposits -- conformity with
 17 federal law. (1) The board of investments may require the
 18 payment of quarter annual interest on daily balances of
 19 collected funds at a rate to be agreed upon between the
 20 depository banks, building and loan associations, and
 21 savings and loan associations and the board of investments,
 22 which rate shall be fixed semiannually during the months of
 23 July and January of each year.

24 (2) The interest requirements on deposits of public
 25 funds made under the laws of the state of Montana or

SB 46

1 otherwise by county or city--and treasurers or town
2 treasurers clerks shall ~~may~~ not at any time be in violation
3 of any act of the congress of the United States or of any
4 rule or regulation of the federal reserve system, federal
5 home loan bank system, or the federal deposit insurance
6 corporation, federal savings and loan insurance corporation,
7 or any other fiscal agency of the United States ~~or created~~
8 ~~by it,~~ of which the banks, building and loan associations,
9 or savings and loan associations of this state ~~generally~~ may
10 be members or debtors."

11 Section 7. Repealer. Section 17-2-203, MCA, is
12 repealed.

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1 federal and private revenue fund prior to disbursement.

2 (6) Bond proceeds and insurance clearance fund. The
3 bond proceeds and insurance clearance fund consists of:

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8 of property.

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24 department of institutions, and any end-~~ed~~ institutions now
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 2 for any purpose ~~are hereby empowered and given the right to~~
 3 ~~may accept, receive, take, hold, own, and possess~~ gifts,
 4 donations, grants, devises, or bequests of real or personal
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 7 state, in the name of any of ~~said the~~ institutions, to any
 8 officer or board of ~~said the~~ institutions, or to any person
 9 in trust for ~~said the~~ institutions.

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 11 to any such institution or to any officer or board of any
 12 such institutions, such ~~the~~ gift, donation, grant, devise, or
 13 bequest ~~shall be construed as is~~ a gift, donation, grant,
 14 devise, or bequest to the state and shall be administered
 15 and used by the state for the particular purpose for which
 16 ~~the same it~~ was given, donated, granted, bequeathed, or
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 18 such ~~the~~ gift, grant, devise, or bequest, then ~~the same it~~
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 20 improvement of such institution by the state."

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 25 of Montana or for the purpose of restraining the levy and

1 collection of taxes for the payment of such bonds or other
 2 obligations after the expiration of 60 days from the date of
 3 the election on such bonds or obligations or, if no election
 4 was held thereon, after the expiration of 60 days from the
 5 date of the order, resolution, or ordinance authorizing the
 6 issuance thereof, on account of any defect, irregularity, or
 7 informality in giving notice of or not in holding the
 8 election, ~~nor shall any~~ no defense based upon any such
 9 defect, irregularity, or informality may be interposed in
 10 any action unless brought within this period.

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 22 and interest is guaranteed by the United States;
 23 (3) securities issued or fully guaranteed by the
 24 following agencies of the United States or their successors,
 25 whether or not guaranteed by the United States:

1 (a) commodity credit corporation;
 2 (b) federal intermediate credit banks;
 3 (c) federal land bank;
 4 (d) bank for cooperatives;
 5 (e) federal home loan banks;
 6 (f) federal national mortgage association;
 7 (g) government national mortgage association;
 8 (h) small business administration; and
 9 (i) federal housing administration (not including
 10 insured mortgages);
 11 (4) general obligation bonds of the state or of any
 12 county, city, school district, or other political
 13 subdivision of the state;
 14 (5) revenue bonds of any county, city, or other
 15 political subdivision of the state, when backed by the full
 16 faith and credit of such subdivision;
 17 (6) interest-bearing warrants of the state or of any
 18 county, city, school district, or other political
 19 subdivision of the state issued in evidence of claims in an
 20 amount which, with all other claims on the same fund, do not
 21 exceed the amount validly appropriated in the current budget
 22 for expenditure from the fund in the year in which they are
 23 issued;
 24 (7) obligations of housing authorities of the state
 25 secured by a pledge of annual contributions or by a loan

1 agreement made by the United States or any agency thereof
 2 providing for contributions or a loan sufficient with other
 3 funds pledged to pay the principal of and interest on the
 4 obligations when due. Subject to rules prescribed by the
 5 department of community affairs, the bonds and other
 6 obligations made eligible for investment in 32-1-424(3) and
 7 7-15-4505 may be used as security for all deposits of public
 8 funds or obligations for which depository bonds or any kind
 9 of bonds or other securities are required or may by law be
 10 deposited as security.

11 (8) general obligation bonds of other states and of
 12 municipalities and counties of other states; and
 13 (9) undertaking or guarantees issued by a surety
 14 company authorized to do business in the state."

15 Section 6. Section 17-6-104, MCA, is amended to read:
 16 "17-6-104. Interest on deposits -- conformity with
 17 federal law. (1) The board of investments may require the
 18 payment of quarter annual interest on daily balances of
 19 collected funds at a rate to be agreed upon between the
 20 depository banks, building and loan associations, and
 21 savings and loan associations and the board of investments,
 22 which rate shall be fixed semiannually during the months of
 23 July and January of each year.

24 (2) The interest requirements on deposits of public
 25 funds made under the laws of the state of Montana or

SB 0046/02

1 otherwise by county or city--and treasurers or town
2 ~~treasurers~~ ~~clerks~~ ~~shall~~ ~~may~~ not at any time be in violation
3 of any act of the congress of the United States or of any
4 rule or regulation of the federal reserve system, federal
5 home loan bank system, or the federal deposit insurance
6 corporation, federal savings and loan insurance corporation,
7 or any other fiscal agency of the United States ~~or~~-created
8 ~~by~~-~~it~~ of which the banks, building and loan associations,
9 or savings and loan associations of this state ~~generally~~ may
10 be members or debtors."

11 Section 7. Repealer. Section 17-2-203, MCA, is
12 repealed.

-End-